

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2765 - SB 3080

March 6, 2012

SUMMARY OF BILL: Authorizes a town, city, county, county with a metropolitan government, the state, or any not-for-profit conservation or preservation organization to purchase development rights from a property owner. The organizations may then preserve the purchased or donated development rights unused for a definite or indefinite period of time and may at any time sell the development rights. Requires the local government legislative body to approve of any donation, proposed purchase, or proposed sale of development rights involving a town, city, county, or county with a metropolitan government.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The provisions of this legislation are permissive to state and local government.
- Pursuant to Tenn. Code Ann. § 13-7-101, a property owner may donate, through gift or testamentary disposition, all or part of the development rights of the owner's property to a town, city, county, or a county with a metropolitan form of government.
- The provisions of this bill will authorize these entities to also purchase development rights from property owners, and reserve the right to sell them once purchased.
- Local government entities will be required to have approval of the local governing body before purchasing, selling, or accepting a donation of development rights.
- It is assumed the local governing body would address any issues regarding the donation or purchase of development rights at a regularly scheduled meeting.
- The current number of donations of development rights to the state or local government entities or not-for-profit conservation or preservation organizations is unknown. It is also unknown how many property owners will sell their development rights to one of these entities as a result of this legislation.
- It is reasonably estimated that any increase in state and local government expenditures for the purchase of development rights will be offset by the increase in state and local government revenue from the use or sale of the development rights.
- According to the Comptroller of the Treasury, the net fiscal impact to state and local government as a result of this legislation is not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise" followed by a stylized flourish.

Lucian D. Geise, Executive Director

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